JOURNAL OF APPLIED ECONOMETRICS
(*J. Appl. Econ.*)

CONTENTS

Volume 19 Number 1 **January–February 2004**

Nonlinear Effects of Exchange Rate Volatility on the Volume of Bilateral Exports
C. F. Baum, M. Caglayan and N. Ozkan — 1

The Stochastic Implications of Rent Maximization: An Application to Stumpage Rates for Timber in British Columbia
M. R. Haley and H. J. Paarsch — 25

Temporary Layoffs and Split Population Models
K. G. Mavromaras and C. D. Orme — 49

On Markov Error-correction Models, with an Application to Stock Prices and Dividends
Z. Psaradakis, M. Sola and F. Spagnolo — 69

Mixed Signals among Tests for Cointegration
A. W. Gregory, A. A. Haug and N. Lomuto — 89

Estimating the Economic Return to Educational Levels using Data on Twins
G. Isacsson — 99

Can Inflation Data Improve the Real-time Reliability of Output Gap Estimates?
C. Planas and A. Rossi — 121

SOFTWARE REVIEW
LISREL 8.54: A Program for Structural Equation Modelling with Latent Variables
D. Cziráky — 135

Announcement: Journal of Applied Econometrics Distinguished Authors — 143

Announcement: Journal of Applied Econometrics Annual Lecture Series — 145

Volume 19 Number 2 **March–April 2004**

More Powerful Panel Data Unit Root Tests with an Application to Mean Reversion in Real Exchange Rates
L. V. Smith, S. Leybourne, T.-H. Kim and P. Newbold — 147

The Solow Model with CES Technology: Nonlinearities and Parameter Heterogeneity
W. H. Masanjala and C. Papageorgiou — 171

Do Dropouts Suffer from Dropping Out? Estimation and Prediction of Outcome Gains in Generalized Selection Models
M. Li, D. J. Poirier and J. L. Tobias — 203

Distance, Trade and FDI: A Hausman–Taylor SUR Approach
P. Egger and M. Pfaffermayr — 227

The *Journal of Applied Econometrics* is covered by the following abstracting and indexing services: ABI/Inform Database (Bell & Howell), CAB Abstracts, Cambridge Scientific Abstracts, COREJ (Current Contents of Recent Economics Journals), Current Contents/Social and Behavioural Sciences (ISI), Current Index to Statistics, EconLit, Journal of Economic Literature, Quality Control and Applied Sciences, Research Alert (ISI), Social Sciences Citation Index (ISI), Social SciSearch (ISI) and Statistical Theory & Method Abstracts.

Short-term Monitoring of Fiscal Policy Discipline
G. Camba-Mendez and A. Lamo — 247

Bayesian Geoadditive Modelling of Breastfeeding Initiation in Nigeria
S. B. Adebayo — 267

SOFTWARE REVIEW
FinMetrics: Analysis of Financial Data in S-PLUS
R. H. Koning — 283

Announcement: Fourth 'Villa Mondragone Workshop in Economic Theory and Econometrics' — 291

Announcement: Journal of Applied Econometrics Scholars Programme — 293

Announcement: Journal of Applied Econometrics Annual Lecture Series — 294

Volume 19 Number 3 **May–June 2004**

Health Insurance and Savings Over the Life Cycle – A Semiparametric Smooth Coefficient Estimation
S.-Y. Chou, J.-T. Liu and C. J. Huang — 295

Selection Correction and Sensitivity Analysis for Ordered Treatment Effect on Count Response
M.-J. Lee — 323

Why Were Changes in the Federal Funds Rate Smaller in the 1990s?
A. Basistha and R. Startz — 339

Long-Run Monetary Neutrality and Long-Horizon Regressions
P. J. Coe and J. M. Nason — 355

A Microeconometric Evaluation of Rehabilitation of Long-term Sickness in Sweden
M. Frölich, A. Heshmati and M. Lechner — 375

Projection Pursuit Regression and Disaggregate Productivity Effects: The Case of the Indian Blast Furnaces
S. Das and R. Sengupta — 397

Poverty Comparisons with Dependent Samples
B. Zheng — 419

SOFTWARE REVIEW
ExpEnd: GAUSS Code for Panel Count-Data Models
A. Romeu — 429

Volume 19 Number 4 **July–August 2004**

THEMED ISSUE: TOPICS IN HEALTH ECONOMETRICS

Keeping Off the Grass? An Econometric Model of Cannabis Consumption in Britain
S. Pudney — 435

Health Care Reform and the Number of Doctor Visits—An Econometric Analysis
R. Winkelmann — 455

The Dynamics of Health in the British Household Panel Survey
P. Contoyannis, A. M. Jones and N. Rice — 473

Nonparametric Analysis of Returns to Scale in the US Hospital Industry
P. W. Wilson and K. Carey — 505

SOFTWARE REVIEW
Review of PcGive 10
B. Hayo — 525

REPLICATION SECTION
Predictor Relevance and Extramarital Affairs
Q. Li and J. Racine — 533

Volume 19 Number 5 **September–October 2004**

THEMED ISSUE: POVERTY, INEQUALITY AND GROWTH

Making Inferences About the Polarization, Welfare and Poverty of Nations: A Study of 101 Countries 1970–1995
G. Anderson — 537

The Asymmetric Effects of Uncertainty on Inflation and Output Growth
K. B. Grier, Ó. T. Henry, N. Olekalns and K. Shields — 551

The Role of Environmental Factors in Growth Accounting
B. M. Jeon and R. C. Sickles — 567

Modelling Low Income Transitions
L. Cappellari and S. P. Jenkins — 593

Convergence in European GDP Series: A Multivariate Common Converging Trend–Cycle Decomposition
R. Luginbuhl and S. J. Koopman — 611

REPLICATION SECTION
Conditional Heteroscedasticity of Exchange Rates: Further Results Based on the Fractionally Integrated Approach
A. K. Tsui and K.-Y. Ho — 637

Announcement: The Richard Stone Prize in Applied Econometrics — 643

Announcement: Journal of Applied Econometrics Scholars Programme — 645

Volume 19 Number 6

SPECIAL ISSUE: THE ECONOMETRICS OF SOCIAL INSURANCE

Introduction to the Special Issue
J. Rust, N. Datta Gupta and B. J. Christensen — 647

How Large is the Bias in Self-reported Disability?
H. Benítez-Silva, M. Buchinsky, H. M. Chan, S. Cheidvasser and J. Rust — 649

Dynamic Programming Model Estimates of Social Security Disability Insurance Application Timing
R. V. Burkhauser, J. S. Butler and G. Gumus — 671

Multivariate Mixed Proportional Hazard Modelling of the Joint Retirement of Married Couples
M. Y. An, B. J. Christensen and N. Datta Gupta — 687

On the Distribution and Dynamics of Health Care Costs
E. French and J. B. Jones — 705

Social Security, Pensions and Retirement Behaviour Within the Family
A. L. Gustman and T. L. Steinmeier — 723

A Structural Dynamic Analysis of Retirement Behaviour in the Netherlands
A. Heyma — 739

The Effects of Subjective Survival on Retirement and Social Security Claiming
M. D. Hurd, J. P. Smith and J. M. Zissimopoulos — 761

Retirement Behaviour of Dutch Elderly Households
M. Mastrogiacomo, R. Alessie and M. Lindeboom — 777

A Dynamic Programming Approach to Model the Retirement Behaviour of Blue-collar Workers in Sweden
A. Karlstrom, M. Palme and I. Svensson — 795

Reporting Sick: Are Sporting Events Contagious?
P. Skogman Thoursie — 809

Announcement and Call for Papers — 825

Volume 19 Number 7 **November–December 2004**

Learning About Heterogeneity in Returns to Schooling
G. Koop and J. L. Tobias — 827

Dynamics of the Federal Funds Target Rate: A Nonstationary Discrete Choice Approach
L. Hu and P. C. B. Phillips — 851

Understanding the Fisher Equation
Y. Sun and P. C. B. Phillips — 869

Measurement of Industry Conduct with a Latent Structure
J. J. McCluskey and K. K. Quagrainie — 887

A General Test for Time Dependence in Parameters
R. Becker, W. Enders and S. Hurn — 899

Announcement and Call for Papers — 907

Author Index — 909

Acknowledgment to Referees — 911

Volume Contents — iii